

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES Minerals & Mining Program - Oil & Gas Section 2050 West Main, Suite #1, Rapid City, SD 57702-2493 Telephone: 605-394-2229, FAX: 605-394-5317 FORM 2

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DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

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	Other	•			Ot	her			
	Name and Address of Operator Signature State of South Dakofa								
	State of South Dakota Name and Address of Drilling Contractor and Rig Number: J&R Well Service 791 Land 9, Powell, WY 82435 Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if								
	available):	available):							
	SHL 724' FSL & 555' FWL, Sec 4-21N-4E, SWSW								
	If Directional, top of pay and bottom hole location from nearest lines of section: TOP 8575' NBHL 2400' FSL & 555' FWL, Sec 3-21N-4E, NWSW, WBHL 724' FSL & 1700' FEL, Sec 5-21N-4E, SWSE								
	Acres in Spacing (Drilling) Unit Central Description of Spacing Unit South Puffele Red River "R" Unit Andrew								
	20,648 Acres								
	State 14-4			Buffalo			Proposed Depth and Formation North 10,300'MD 8,604'TVD West 10,850'MD 8,570'TVD		
	Size of Hole 1) 12 1/4" 2) 7 7/8" 3) 4)	Size of Casing 8 5/8" 4 1/2"	Weight per Foot 36# 11.6, 9.5, 4.7 #	Depth 6016' 8729'	160 sx Poz	z mix & r	amount, type, ad regular, 2% ge regular, 6% g	ditives) Depth	
	Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate. The State 14-4 well laterals will be drilled out of existing 4 1/2" casing by cutting a window at least 10' below the Gunton porosity located at 8418-8462', landing in the Red River "B" porosity at 8575'-8591'. Out of this window one lateral will be drilled to the west and a second lateral drilled to the north. We will be using a closed circulating system with cuttings being hauled to a state approved facility. No pit liner will be used.								
	I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation. RICH GUNLIKSON OPERATIONS MANAGER (6/18/67)								
	Signatu	fre	Name (Print)				Title	Date	
FOR OFFICE USE ONLY									
	Approved By:	Approved By: Title: Oil and Gas Supervisor							
	Permit No. V API No. 40 063 05059.01 Date Issued: January 11, 2008 Conditions, if any, on attached page.								